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Proposed financial regulations and rules for the United Nations Entity for Gender Equality and the Empowerment of Women

Summary

The present report presents the proposed financial regulations and rules for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) pursuant to General Assembly resolution 64/289 of 2 July 2010. The proposed financial regulations and rules, contained in the annex to the report, are submitted for the consideration of the Executive Board of UN-Women. A comparison between the proposed financial regulations and rules for UN-Women and the Financial Regulations and Rules of the United Nations Development Programme and of the United Nations Population Fund is contained in the addendum to the report (UNW/2011/5/Add.1), which provides explanations for deviations from the aforementioned documents. The views expressed by the Office of the Controller and the Office of Legal Affairs have been taken into account in the proposed financial regulations and rules.

The changes recommended by the Advisory Committee on Administrative and Budgetary Questions (see UNW/2011/7), have been incorporated into the proposed financial regulations and rules.

The Executive Board may wish to review and approve the proposed financial regulations and rules for UN-Women.

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I. Introduction

1. In paragraph 79 of its resolution 64/289, the General Assembly decided that the operational activities of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) should have financial regulations and rules similar to those of other operational United Nations funds and programmes, and consistent with the United Nations Financial Regulations and Rules,[1] and in that regard requested the Under-Secretary-General head of the Entity to present a proposal for financial regulations, for consideration and adoption by the Executive Board, and to promulgate the financial rules.

2. The proposed financial regulations and rules, set out in the annex to the present report, are drawn primarily from the financial regulations and rules of the United Nations Population Fund (UNFPA); some are drawn from those of the United Nations Development Programme (UNDP).

3. The Financial Regulations and Rules of UNFPA are used as a primary source, in line with paragraph 79 of resolution 64/289, the founding resolution of UN-Women, and in view of the similarities between UN-Women and UNFPA in terms of the expected scale and scope of funding and operational activities. Also taken into consideration are similarities between UNFPA and UN-Women in terms of the expected scale and configuration of their presence in programme countries and reliance on UNDP for a variety of operational support services in programme countries and at Headquarters. The Financial Regulations and Rules of UNFPA were also considered more appropriate as they have been more recently revised to address changes needed to prepare for implementation of the International Public Sector Accounting Standards (IPSAS).

4. The operational relationship between UNDP and UN-Women will be defined through service-level agreements similar to that between UNFPA and UNDP.

5. Given the breadth of the mandate of UN-Women, it was deemed advisable to adopt some of the Financial Regulations and Rules of UNDP. Thus, UN-Women has taken the Financial Regulations and Rules of UNFPA as the base reference and, where appropriate, departed from them and adopted provisions of the Financial Regulations and Rules of UNDP.

6. The proposed financial regulations and rules for UN-Women are based on the premise that the grant modality will be approved for the use of United Nations regular budget resources available to UN-Women.

II. Explanation for deviation from source provisions

7. The main differences between the proposed financial regulations and rules for UN-Women and the source provisions of UNFPA and UNDP are due to the following factors:

(a) **Receipt of assessed contributions**. UN-Women, unlike UNFPA and UNDP, is partially funded from assessed contributions, which must be reported to, inter alia, the Fifth Committee of the General Assembly, with respect to the use of the regular budget, and to the Executive Board, with respect to voluntary contributions.

[1] ST/SGB/2003/7.

This has resulted in a number of differences between the proposed financial regulations and rules for UN-Women and the source provisions of UNDP and UNFPA. The affected proposed financial regulations and rules include regulations 2.1, 3.5, 8.1, 11.1, 13.4, 15.1, 15.2, 15.3 and 15.4 and rules 302 and 1501;

(b) **Level of operational reserve**. It is proposed in regulation 19.2 that the level of the operational reserve be calculated in accordance with guidelines issued by the Executive Director rather than at 20 per cent of total regular revenue for that year as provided in UNFPA rule 112.1;

(c) **Accountability and audit**. UN-Women has added the wording "while retaining all accountability" to rule 202 to address a comment by the United Nations Controller, clarifying that while responsibility can be delegated, accountability cannot. In addition, the changes from "External audit" as shown in UNFPA regulation 17.1 to "United Nations Board of Auditors" in UN-Women regulation 26.1 was also made in response to the proposal of the Controller;

(d) **IPSAS implementation**. UN-Women followed the source provision for its regulation 12.1, World Food Programme (WFP) regulation 13.1, because only WFP has implemented IPSAS to date; UNDP and UNFPA have yet to implement IPSAS.

Additional and more specific explanations of the deviations from source financial regulations and rules are set out in the addendum to the present report (UNW/2011/5/Add.1).

8. The preparation of the proposed financial regulations and rules was undertaken within a short time frame in response to resolution 64/289, paragraph 79, requiring the Executive Director to present a proposal for financial regulations and rules for UN-Women for consideration and adoption by the Executive Board.

Annex

Proposed financial regulations and rules for the United Nations Entity for Gender Equality and the Empowerment of Women

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A. Applicability

1. Applicability

Regulation 1.1

These regulations shall govern the financial management of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and shall, unless otherwise provided by the General Assembly or the Executive Board or as otherwise specified in these regulations apply, mutatis mutandis, to all funds administered by UN-Women. Amendments and exceptions to these regulations may be made only by the Executive Board.

Regulation 1.2

These regulations shall become effective upon their approval by the Executive Board of UN-Women.

Regulation 1.3

In regard to any matter not specifically covered by these regulations, the appropriate provisions of the United Nations Financial Regulations shall apply.

Regulation 1.4

(a) The Executive Director shall establish financial rules consistent with the provisions of the financial regulations, approved by the Executive Board, in order to ensure effective and efficient financial administration, and the exercise of economy. The Executive Director shall circulate the financial rules to the members of the Executive Board for information at least 30 days before they become effective.

(b) The Executive Director may amend the financial rules and shall circulate such amendments to the members of the Executive Board for information at least 30 days before they become effective.

(c) The Executive Director may, when he or she deems it necessary, suspend the application of any of these financial rules and shall circulate suspensions of these rules to the members of the Executive Board for information as soon as the suspensions become effective.

Rule 101

(a) Rules in this document shall apply to the financial administration of all activities of UN-Women except as may otherwise be provided by the General Assembly or the Executive Board.

(b) In regard to any matter not specifically covered by these rules, the appropriate provisions of the United Nations Financial Regulations and Rules shall apply.

B. Accountability

2. Accountability

Regulation 2.1

The Executive Director shall be fully responsible and accountable to the Executive Board for all phases and aspects of UN-Women activities. The Executive Director shall be fully responsible and accountable to the Secretary-General for the financial management of the activities of UN-Women funded from the regular budget of the United Nations.

Rule 201

There shall be established UN-Women accounts to which all resources administered by UN-Women and receivable in cash shall be credited and against which all expenditures on behalf of UN-Women shall be charged.

Rule 202

(a) The Executive Director shall be responsible for the administration of these rules. The Executive Director, while retaining all accountability, may delegate to the Deputy Executive Director, UN-Women, Director of Division for Management and Administration, UN-Women, and/or to other UN-Women officials any of his or her responsibilities that have not been expressly assigned under these rules.

(b) Except as otherwise provided in these regulations or their rules hereto, each of the staff to whom any responsibilities are assigned or delegated under these regulations may name an authorized delegate to act on his or her behalf in any such matters.

(c) In the administration of these regulations and rules, the Executive Director or his or her delegate shall be responsible for prescribing and arranging for the maintenance of financial records that are required, and for reviewing and approving all financial processes of UN-Women. The Executive Director or the official to whom responsibility is delegated may issue instructions or establish such procedures as may be deemed necessary for the administration of these regulations.

(d) The delegation of authority and changes thereof shall be done in writing.

Rule 203

All personnel of UN-Women are responsible to the Executive Director for the regularity of actions taken by them in the course of their official duties. Any personnel who take any action contrary to these financial regulations and rules or to the instructions that may be issued in connection therewith may be held personally responsible and financially liable for the consequences of such action.

C. Resources

3. General framework

Regulation 3.1

(a) The Executive Director is responsible for mobilizing UN-Women resources effectively and efficiently in furtherance of the mandate and activities of UN-Women.

(b) The Executive Director may delegate authority, as appropriate, for the mobilization of resources.

Regulation 3.2

Contributions may be accepted by UN-Women from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental or private sector sources, may be accepted by UN-Women and utilized for the general support of UN-Women or for purposes consistent with those of UN-Women.

Regulation 3.3

(a) The Executive Director may indicate to the contributing party the currency or currencies required for UN-Women activities.

(b) Contributions in cash shall be denominated in United States dollars; however, the Executive Director may accept payment in the local currency of the contributing party to the extent the Executive Director considers that such currency could be used to meet operational requirements.

Regulation 3.4

Should the Executive Director agree to accept payment of a contribution in a currency other than United States dollars, the recorded contribution shall be adjusted by any consequent identifiable loss or gain on exchange, unless, in the case of loss, the contributing party agrees to reimburse it.

Regulation 3.5

With the exception of the contribution under regulation 8.1, if the purpose of a contribution is for UN-Women general support with no limitations imposed by the contributor as to its use, the moneys or in kind provisions received shall be credited to the UN-Women regular resources account.

Regulation 3.6

Where the contribution is for specific purposes consistent with the policies, aims and activities of UN-Women, the contributions received shall be credited to the UN-Women other resources account and shall be treated under the provisions of regulation 5 or 6 below, as appropriate.

Regulation 3.7

Contributions to other resources shall be subject to the following conditions:

(a) Contributions shall be paid pursuant to an agreement made between the contributor and the Executive Director;

(b) Contributions shall be paid in advance of the allocation made for the implementation of planned UN-Women programme activities, except as provided under the terms of regulation 3.7 (c);

(c) Notwithstanding the provision of regulation 3.7 (b), allocations may be made on the basis of receivable co-financing contributions, in accordance with risk guidelines established by the Executive Director; and

(d) Additional costs incurred by UN-Women in administering the contribution shall be fully covered from the contribution.

Regulation 3.8

In cases of default by a contributor of payment of part or all of a contribution to UN-Women other resources, or in the case of unforeseen contingencies, the resources available for UN-Women programme activities at the country level or at the respective regional level shall be charged with those costs which would otherwise have been financed from the contribution to other resources.

Rule 301

The Executive Director shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental or private sector sources, subject to such limits as the Executive Board may specifically decide.

Rule 302

Contributions and revenue to support the purpose of UN-Women shall be recorded under the following funds and accounts:

- Voluntary contributions to regular resources (unearmarked funds);
- Cost-sharing resources to other resources (earmarked funds);
- Trust fund contributions to other resources;
- Host Government contributions to the cost of UN-Women country offices to other resources;
- Assessed contribution (regular budget) to regular resources under the grant modality;
- Miscellaneous revenue.

Rule 303

Individual contributions above a value of $100,000 received from intergovernmental, non-governmental or private sector resources shall be reported annually to the Executive Board.

Rule 304

Further to regulation 3.7, the Executive Director will promulgate guidelines to ensure risks are mitigated to the extent possible.

4. Voluntary contributions to regular resources

Regulation 4.1

The overall target for voluntary contributions shall be established by the Executive Board.

Regulation 4.2

Voluntary contributions may be pledged either on a multi-year or on an annual basis.

Regulation 4.3

Voluntary contributions and other contribution to regular resources shall be made without limitation as to use. No contributing Government shall receive special treatment with respect to its voluntary contribution, nor shall negotiation take place for the use of currencies contributed to UN-Women between contributing Governments and programme countries.

Regulation 4.4

Voluntary contributions shall be made in currencies that are readily usable by UN-Women, consistent with the need for efficiency and economy of operations, or convertible to the greatest possible extent into currencies readily usable by UN-Women.

Regulation 4.5

Without prejudice to the annual pledging conference convened by the Secretary-General, a special UN-Women funding meeting can be convened on an annual basis within the context of the UN-Women Executive Board, at which voluntary contributions to UN-Women regular resources will be formally announced. This funding meeting will be an occasion when Member States would:

(a) Announce their voluntary contributions to UN-Women as follows: a firm funding commitment for the current year; for those in a position to do so, a firm contribution or indication of the contribution for the following year; and a firm or tentative contribution for the third year; and

(b) Announce payment schedules for the current year, taking into account that early payments are encouraged.

5. Cost-sharing contributions to other resources

Regulation 5.1

The Executive Director is authorized to enter into cost-sharing agreements, provided such cost-sharing arrangements have been accepted by the recipient country or countries. The Executive Board may establish principles for such agreements.

Rule 501

The authority to mobilize cost-sharing resources is delegated to the Executive Director, who may delegate this authority to Deputy Executive Directors and to other UN-Women officials, including heads of regional, subregional and country offices.

Rule 502

Cost-sharing contributions shall be set forth in the project document and/or in an agreement with the contributing party. These contributions shall be due in advance of the related expenditures according to a schedule of payments agreed to in writing by UN-Women.

Rule 503

Contributions shall be denominated for accounting purposes in United States dollars; however, UN-Women would accept payment in the local currency of a recipient Government to the extent that such currency could be used to meet project expenses requirements.

Rule 504

Cost-sharing contributions shall be recorded in the UN-Women account as "other resources" and any interest accruing to temporarily surplus balances shall be credited to the UN-Women account.

Rule 505

The Executive Director shall require reimbursement of indirect costs up to the rates authorized by the Executive Board.

6. Trust fund contributions to other resources

Regulation 6.1

Trust funds may be established by the Executive Director for specified purposes consistent with the policies, aims and activities of UN-Women. Trust funds that directly or indirectly involve additional financial liability for UN-Women shall be established only by the Executive Board.

Regulation 6.2

The Executive Director may establish trust funds at the request of the Secretary-General to provide assistance in responding to United Nations resolutions.

Rule 601

The Executive Director shall issue guidelines for the establishment and administration of trust funds. To ensure cost-effective administration of trust funds, the Executive Director may determine a minimum contribution level below which he or she may refuse the establishment of a trust fund.

Rule 602

Unless otherwise provided by the Executive Board, the trust fund and activities financed therefrom shall be administered in accordance with and governed by the applicable regulations, rules and directives.

Rule 603

The authority to mobilize trust fund resources, including the authority to sign trust fund agreements and to issue terms of reference for trust funds, is vested in the Executive Director, who may delegate this authority to Deputy Executive Directors and to other UN-Women officials, including heads of regional, subregional and country offices.

Rule 604

Should payments of trust fund contributions towards a specific activity not be received in accordance with the agreed payment schedule, or the necessary additional financing required to cover unforeseen increases in expenses or commitments not be forthcoming from the donor or donors, the Executive Director may modify or terminate the activity concerned.

Rule 605

The Executive Director shall require reimbursement of indirect costs up to the rates authorized by the Executive Board.

7. Host Government contributions to the costs of UN-Women country offices

Regulation 7.1

(a) The Executive Director shall arrange for the collection from host Governments of their contributions in cash and/or in kind towards the costs of UN-Women country offices, in accordance with the agreements between the Executive Director and the host Governments concerned. Negotiations with respect to the amount and/or form of such contributions shall be in accordance with relevant Executive Board decisions and take into consideration the economic conditions of the countries concerned and may result in the granting by the Executive Director of a partial waiver of contributions.

(b) Contributions in cash towards the costs of UN-Women country offices shall be credited to the support budget of UN-Women.

8. Contribution to regular resources under the grant modality

Regulation 8.1

The UN-Women resources required to service normative intergovernmental processes shall be funded from the regular budget of the United Nations and approved by the General Assembly, after review by the Advisory Committee on Administrative and Budgetary Questions (hereinafter, "Advisory Committee"). To promote effectiveness, efficiency and economy, after approval by the General Assembly of the biennial budget, the financial resources from the regular budget shall be provided to UN-Women in the form of a grant. The grant shall be

administered and disbursed by UN-Women in accordance with these financial regulations and rules.

Regulation 8.2

The Executive Director shall report through the Secretary-General to the General Assembly on the use of the grant.

9. Miscellaneous revenue

Regulation 9.1

All revenue to UN-Women shall be classified as miscellaneous revenue except for:

(a) The revenue from the items specified in regulations 3.1 through 6.2;

(b) Interest revenue;

(c) Direct refunds of expenses with respect to projects during the approved duration of the programme or project activity, i.e., before the final allocation for UN-Women assistance to a programme or project activity is made;

(d) Direct refunds of expenses in respect of the support budget during the current budget period;

(e) Advances or deposits of trust funds;

(f) Revenue derived from the staff assessment plan; and

(g) Amounts otherwise designated to be credited to the support budget, including, inter alia, revenue derived from recovery of indirect costs and net revenue relating to procurement services provided to third parties.

Regulation 9.2

Interest or investment revenue with respect to special accounts and trust funds shall be retained unless otherwise authorized by the Executive Director.

Regulation 9.3

Refunds of project expenses during the life of a project, i.e., before the project is financially closed, including refunds obtained as proceeds of the sale of assets relating to that project, shall be credited to the project account originally charged. Refunds subsequently received shall be credited to miscellaneous revenue.

Rule 901

Refunds of expenses financed from a given budget, including refunds obtained as proceeds of the sale of assets, shall be credited to the accounts originally charged if received in the same financial period. Refunds subsequently received shall be credited to miscellaneous revenue.

D. Financial periods

10. Planning period

Regulation 10.1

The planning period for the proposed utilization of resources as set forth under section "E", shall be defined in the Strategic Plan of UN-Women.

Regulation 10.2

To provide for continuity in the planning, programming and implementation of UN-Women assistance to projects, the financial period for the purpose of the proposed utilization of resources shall be the duration of each project as specified in the project document.

Regulation 10.3

The financial period for the purpose of incurring and accounting for expenses in respect of programme activities, including reimbursement of related indirect costs, shall consist of a single calendar year.

Rule 1001

The financial period for the purpose of committing funds pursuant to regulation 10.2 shall not exceed the duration of the project length as specified in the project document.

11. Period for the support and regular budgets

Regulation 11.1

The financial period for the purpose of both the proposed utilization of resources and the incurring of and accounting for expenses in respect of the support and regular budget shall be aligned and shall consist of two consecutive calendar years, the first of which shall be an even year.

12. Financial statements

Regulation 12.1

The Executive Director shall submit to the Executive Board annual financial statements in respect of UN-Women, including its funds and accounts. These financial statements shall be prepared in accordance with the United Nations system accounting standards for the year 2011 and in accordance to the International Public Sector Accounting Standards (IPSAS) thereafter, or as otherwise approved by the Executive Board.

Rule 1201

The Executive Director is responsible for the financial statements of UN-Women as at 31 December. The Director, Division of Management and Administration, shall prepare and submit financial statements for all UN-Women accounts as at 31 December each year to the Executive Director. The Director, Division of Management and Administration, shall certify that, to the best of his or her

knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the financial statements and supporting schedules.

Rule 1202

The Executive Director shall sign the financial statements following certification and submit them to the United Nations Board of Auditors not later than 30 April of the following year for examination and opinions. Copies of the financial statements and schedules referred to in this rule shall be submitted at the same time to the Advisory Committee on Administrative and Budgetary Questions.

Rule 1203

The accounting and other financial records and all supporting documents shall be retained for such periods as may be agreed with the United Nations Board of Auditors, after which, on the authority of the Executive Director, such records and documents may be destroyed.

E. Proposed utilization of resources

13. General framework

Regulation 13.1

The Executive Director shall submit to the Executive Board for its approval a strategic plan for the utilization of its expected resources during the forthcoming planning period.

Regulation 13.2

The strategic plan shall set forth the goals, outcomes and projected financial requirements of UN-Women, together with full information as to the main directions of policy that UN-Women intends to pursue throughout the planning period. It shall include a multi-year estimate of resources and programme costs.

Regulation 13.3

Under such limits as the Executive Board may from time to time prescribe, the Executive Director is authorized to approve UN-Women assistance to country, regional and interregional programmes and projects.

Regulation 13.4

Subject only to the maintenance on a continuous basis of the reserves set forth under financial regulations 19.2 and 19.3, all resources available to UN-Women after provision has been made for the support budget shall be available to the maximum extent possible for programme activities, except for resources allocated to the regular budget.

Regulation 13.5

In allocating the resources available for programme activities as described in regulation 13.1, the Executive Director shall be guided by the strategic plan as approved by the Executive Board.

Regulation 13.6

Financial authorizations against UN-Women regular resources as per rule 302 shall be issued on a partially funded basis.

Regulation 13.7

The Executive Director shall establish the policies and procedures for the participation of UN-Women in sector budget support and pooled funds. The policies and procedures shall provide that UN-Women may make financial contributions to either sector budget support or pooled funds. The policies and procedures shall provide for UN-Women reporting to the Executive Board on the financial status of the funds obtained from or through UN-Women based on the totality of commingled resources contributed to the sector budget support or pooled funds, on the basis of programme and financial reporting established in the agreement among the participants to, and governing, the sector budget or pooled funds. The expense recognition for UN-Women resources contributed to the sector budget support or pooled funds shall be on a prorated basis including the total contributions by the participating partners.

14. Programme and project activities

Regulation 14.1

Consistent with the goals set forth in the strategic plan as approved by the Executive Board, the Executive Director shall plan for the delivery of UN-Women assistance in order to achieve the goals set out in the strategic plan, subject to resources reasonably expected to be available.

Rule 1401

The Executive Director shall review, as often as may be necessary, the adequacy of the strategic plan in order to ensure that actual and planned expenses do not exceed resources available and correspond as closely as possible to the level of resources expected to be available for that purpose.

Rule 1402

Programme activities and expenses are approved and implemented subject to the availability of funds, i.e., cash at hand or irrevocable letter of credit.

15. Preparation, submission and approval of the UN-Women component of the regular budget of the United Nations

Regulation 15.1

The Executive Director shall prepare and submit to the Secretary-General the resource requirements to service the normative intergovernmental processes to be considered in the context of the Secretary-General's proposed biennial programme

budget. This proposal shall be linked to the strategic plan for the relevant planning period.

Regulation 15.2

The proposed regular budget shall be prepared in accordance with Financial Regulations and Rules of the United Nations, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, and with the relevant resolutions and guidelines approved by the General Assembly.

Rule 1501

The Executive Director is responsible for preparing, obtaining clearance from the Secretary-General regarding, and presenting to relevant legislative bodies, proposals involving either a change in the regular budget previously approved by the General Assembly or the possible requirement of expenditure with programme budget implications.

Regulation 15.3

Supplementary proposals to amend the regular budget may be submitted by the Executive Director, whenever necessary, to the Secretary-General.

Regulation 15.4

The Executive Director shall prepare supplementary proposals to amend the regular budget in a form consistent with the approved regular budget and shall submit such proposals to the Secretary-General.

16. Preparation, submission and approval of support budget

Regulation 16.1

The Executive Director shall prepare the support budget, both for revenue and expenses, which shall be linked to the strategic plan for the relevant planning period.

Rule 1601

Preparation of support budget

(a) Budget expenses shall include salaries and other emoluments of staff members calculated, for the purposes of the proposed support budget, on a net basis corresponding, for each grade, to the net salary scales approved by the United Nations staff members of the same grade by the General Assembly.

(b) The Executive Director, as authorized to do so by decision of the Executive Board at the time of its approval of the support budget, may transfer appropriations between appropriate lines within the support budget, within authorized limits.

(c) The proposed support budget shall contain provisions to reimburse UN-Women staff members for income taxes levied on them in respect of earnings derived from employment with UN-Women.

(d) The proposed support budget, both for revenue and for expenses, shall be prepared in accordance with the guidelines contained in document DP/1997/2-E/ICEF/1997/AB/L.3, entitled "Harmonization of budgets: UNDP, UNFPA and UNICEF", and any revisions thereto.

Regulation 16.2

The support budget shall cover proposed commitments, expenses and anticipated revenue related to the support budget and shall be presented in United States dollars.

Regulation 16.3

The Executive Director shall, at each session of the Executive Board prior to the commencement of a budget period, submit the entity's proposed support budget for the coming budget period. The proposed support budget shall be submitted to all members of the Executive Board at least six weeks prior for their consideration.

Regulation 16.4

The Executive Director shall also transmit the proposed support budget to the Advisory Committee for examination and report before it is transmitted to members of the Executive Board under regulation 16.3 above.

Regulation 16.5

The report of the Advisory Committee shall be transmitted to all members of the Executive Board as soon as it is available and shall be considered prior to decisions being taken on the proposed support budget.

Regulation 16.6

The Executive Board shall, at the session immediately prior to the commencement of a budget period, adopt the support budget for the following budget period.

Regulation 16.7

The proposed support budget shall be prepared in accordance with the guidelines approved by the Executive Board, and shall be accompanied by such information, annexes and explanatory statements as may be requested by the Executive Board or as the Executive Director may deem necessary and useful.

Regulation 16.8

Supplementary proposals to amend the support budget may be submitted to the Executive Director whenever necessary.

Regulation 16.9

Subsequent to a session of the Executive Board in the second year of the budget period, the Executive Director may utilize a budgetary contingency provision of up to 3 per cent of the approved gross appropriation for unforeseen requirements resulting from currency movements, inflation or decisions of the General Assembly. Such usage shall be reported to the Executive Board at its next regular session through the Advisory Committee.

Regulation 16.10

The Executive Director shall prepare supplementary proposals to amend the support budget in a form consistent with the approved support budget and shall submit such proposals first to the Advisory Committee for examination and then to the Executive Board.

Rule 1602

At the time of submitting supplementary budget proposals, the Executive Director shall provide such detailed information as may be necessary to explain the extent to which the additional appropriation requested is due to changed inflation experience or forecasts, unexpected currency fluctuations or other unforeseen cost factors.

F. Approved utilization of resources

17. Budget for programme activities

Regulation 17.1

The project budget concerning UN-Women assistance to a project, as contained in an approved project document, shall constitute the allocation of funds by the Executive Director to the executing agency or, under the harmonized operational modalities, implementing partner, to implement UN-Women assistance to the project. For the purposes of regulation 17.2 below, the project budget shall be presented in annual segments.

Regulation 17.2

Budgets issued by the Executive Director, which authorize the incurring of expenses and the entering into of commitments, shall constitute a ceiling on expenses for the current year and on commitments for future years to the project for which the budget was given.

Regulation 17.3

Budgets shall be available for expenses and for commitment for the duration of the project to which they relate. Following project completion, the balance of the unspent funds shall revert to the UN-Women account.

Regulation 17.4

Within the limit of the total annual estimated programme expenses, the Executive Director shall be authorized to incur expenses above or below the individual annual estimates made for each project in accordance with the actual progress and requirements of such projects.

Rule 1701

The Executive Director may approve budgets on either an annual or multi-year basis, in accordance with the strategic plan, to cover expenses that may be incurred with respect to country and intercountry projects financed from the UN-Women account, and shall in each case be subject to the availability of funds.

Rule 1702

Subject to the strategic plan as approved by the Executive Board and to the provisions of regulations 13.1-13.5, the Executive Director may, from time to time, approve revisions of the approved budget as referred to under regulation 17.5, including:

(a) Revisions for the purpose of reflecting changes in the rate of actual expenses on a project, with a consequent re-phasing of inputs to the project from one year to another; or

(b) Revisions made following completion of a project in accordance with regulation 17.3.

The Executive Director shall monitor closely the need for such revisions in consultation with the executing agency and/or implementing partner (if any) and the recipient Government, and, subject to the overall limits set out in the strategic plan, shall give effect to such changes in budgets as may be necessary in order to ensure the optimum utilization of all resources available to UN-Women.

Rule 1703

The executing agency and/or implementing partner, if any, responsible for carrying out a project shall notify the Executive Director when it considers that all operational activity connected with a project has been completed or ceased and that the project should be wound up.

(a) A project which has been operationally completed, or terminated, and for which all financial transactions have been recorded and the project accounts closed shall be considered financially completed.

(b) The financial completion of a project shall be accomplished within 12 months after the month in which it is operationally completed or terminated.

(c) Savings/deficits on the liquidation of obligations charged to financially completed projects shall be credited/charged to the UN-Women account under "Miscellaneous revenue" or to other funds administered by UN-Women from which the savings/deficit was derived.

(d) Unforeseen disbursements or refunds in respect of financially completed projects shall be charged/credited to the UN-Women account under "Miscellaneous revenue" or to other funds administered by UN-Women from which the disbursement/refund derived.

(e) The Executive Director shall establish policies and procedures with respect to net adjustments on account of financially completed projects.

Regulation 17.5

The final budget for UN-Women assistance to a project made under the provisions of regulation 17.3 above shall remain available for the period of time required to discharge any outstanding commitments of the project. When all commitments against the budget have been discharged, any balance of funds advanced shall be reimbursed to the UN-Women account.

18. Appropriations for the support budget

Regulation 18.1

Appropriations for the support budget approved by the Executive Board shall constitute an authorization to the Executive Director to enter into commitments and incur expenses and to make payments for the purposes for which the appropriations were approved and up to the amounts so approved.

Rule 1801

The Director, Division of Management and Administration, shall be responsible for ensuring that all expenses and commitments relating to the support budget as approved by the Executive Board remain within the appropriations and are incurred and entered into, respectively, only for the purposes approved. He or she shall at the beginning of each budget period make allotments of funds on a basis that conforms to the main objects of expenses approved by the Executive Board.

(a) The Director, Division of Management and Administration, may increase or decrease the amount of an allotment as required. No other section or unit may transfer allotments between expenses categories, except with his or her written approval.

(b) At the end of the first calendar year of a budget period any unencumbered balance of appropriations shall be carried over and remain available for expenses in the following year, as authorized by the Director, Division of Management and Administration.

Rule 1802

The Director, Division of Management and Administration, shall issue at the beginning of each year a staffing table indicating the number and grade of posts approved for that year by the Executive Board in the support budget.

Rule 1803

The Executive Director may, within such limits as the Executive Board may prescribe, authorize commitments to be made against funds to be made available in future years for which no budgetary appropriations or other financial authorization has been made. Such commitments shall constitute a first charge against the relevant future appropriations as these are approved for future years by the Executive Board.

Regulation 18.2

Appropriations for the support budget shall be available for commitments and expenses during the budget period to which they relate.

Regulation 18.3

Unspent appropriations shall remain available for 12 months following the end of the budget period to which they relate to the extent that they are required to discharge any outstanding commitments of the budget period. The balance of the appropriations shall revert to the UN-Women account.

Regulation 18.4

At the end of the 12-month period provided in regulation 17.5 above, the then-remaining balance of any appropriation retained will revert to the UN-Women account. Any commitments relating to the budget period in question shall at that time be cancelled or, where the commitment remains valid, transferred as a commitment against the current appropriation.

Regulation 18.5

Transfers between the appropriation lines for the budget period may be made by the Executive Director, subject to such limits as the Executive Board may specifically decide with the concurrence of the Advisory Committee.

G. Administration of resources

19. UN-Women account

Regulation 19.1

There shall be established a UN-Women account to which all of the revenue to UN-Women derived from the sources specified under section "C" and receivable in cash shall be credited and against which all expenses on behalf of UN-Women shall be charged, except for revenue and expenses in respect of trust funds administered by UN-Women.

Regulation 19.2

Within the UN-Women account, the following reserves shall be established at levels set by the Executive Board:

(a) An operational reserve, the purpose of which is to guarantee the financial viability and integrity of UN-Women. The reserve shall be fully funded and held in irrevocable and promptly available liquid assets. The elements to be compensated for and covered by it shall be limited to:

(i) Downward fluctuations or shortfalls in resources;

(ii) Uneven cash flows;

(iii) Increases in actual costs as compared to planning estimates or fluctuations in delivery; and

(iv) Other contingencies which result in a loss of resources for which UN-Women has made commitments for programming.

The decision to make a drawdown from the operational reserve shall rest solely with the Executive Director, who will report all drawdowns to the Executive Board at its next regular session and in between sessions, to members of the Executive Board as may be prescribed by the Board or whenever the situation in the Executive Director's opinion so merits;

(b) A fully funded reserve for field office accommodation for housing for internationally recruited, UN-Women-financed field personnel and for office accommodation; and

(c) Such other reserves as may be approved by the Board.

Regulation 19.3

Separate accounts shall be maintained for all reserves within the UN-Women account and for each trust fund administered by UN-Women.

Regulation 19.4

Working capital shall be provided from the cash resources of the UN-Women account.

20. Management of funds

Regulation 20.1

The Executive Director, under authority delegated by the Secretary-General as custodian of all funds, is responsible and accountable for the effective and efficient management of UN-Women funds.

(a) Cash management includes all actions necessary for receipt, deposit, advance, investment and disbursement of cash, including the designation of banks and opening and closing of bank accounts.

(b) The Executive Director may delegate authority, as appropriate, to staff for such cash management.

Rule 2001

Petty cash advances may be made to officials designated by the Executive Director or his or her delegate. The accounts therefore shall be maintained on an imprest basis. The amount and purposes of each advance shall be defined by the Director, Division for Administration and Management, and limited to the minimum compatible with working requirements.

Rule 2002

The Executive Director or his or her delegate may also authorize the issuance of such other cash advances as may be permitted by the Staff Regulations and Rules and administrative instructions or as may be specifically approved by him or her.

Rule 2003

Officials to whom such advances are issued may make use of them only for the purposes for which they were authorized and shall be held personally responsible and financially liable for the proper management and safekeeping of the advances so made. They shall be in a position at all times to account for such advances and shall submit monthly accounts with respect to petty cash advances unless otherwise decided by the Executive Director or his/her delegate.

Rule 2004

The Executive Director shall conclude agreements with the Administrator of the United Nations Development Programme (UNDP) concerning the mutual responsibilities for the use of UNDP bank accounts for disbursing and receiving UN-Women funds, wherever applicable. Such agreements shall include details on the mutual provision of information, such as funds deposited or withdrawn from

accounts, including records of transactions, statements, bank reconciliations, or any other information required for closing of the accounts of UNDP and UN-Women. Bank statements relating to accounts that are administered by UN-Women shall be reconciled by the organizational unit authorized to use such accounts for disbursement.

Rule 2005

(a) All disbursements shall be made by cheque or bank transfer, except to the extent that cash disbursements are authorized by the Director, Division of Management and Administration, or by a duly authorized staff member in a country office.

(b) Cheques or payment instruction letters to banks shall be signed by two authorized signatories. The Director, Division of Management and Administration, may, where adequate safeguards are provided, authorize the signing of cheques by one signatory only.

Rule 2006

The United Nations operational rate of exchange which is in effect on the date when a transaction is carried out involving other than United States dollars shall be used whenever such transaction requires to be translated into United States dollars for the purpose of being recorded in the UN-Women accounts.

Rule 2007

UN-Women funds placed in short-term instruments shall be registered with relevant details in a separate UN-Women ledger and shall be included as assets of UN-Women in the financial accounts and reports of UN-Women.

Regulation 20.2

The Executive Director may, in the absence of restrictions imposed by contributing Governments, exchange currencies between UN-Women Funds and funds of other organizations in the United Nations system and may utilize them to purchase other currencies, whenever the Executive Director determines it would be in the interest of UN-Women.

Regulation 20.3

The Executive Director and the executing agencies or, under the harmonized operational modalities, implementing partners, shall endeavour, consistent with the need for efficiency and economy of operations, to make the fullest possible use of all available currencies in the UN-Women account.

Regulation 20.4

Account being taken of the objectives and policies of UN-Women and the special requirements of its operations, including liquidity, moneys not required immediately may be placed mainly in liquid fixed-term instruments by the Secretary-General, in consultation with the Executive Director.

Regulation 20.5

Revenue derived from placement of funds shall be credited to the UN-Women account, unless otherwise authorized by the Executive Director.

Regulation 20.6

(a) The Executive Director may make such ex gratia payments, not exceeding $75,000 per year, as she or he deems necessary in the interest of UN-Women. A statement of such payment should be included in the audited financial statement, except as set forth in paragraph (b) below.

(b) In the case of an emergency where, at the discretion of the Executive Director, immediate ex gratia payments are necessary for humanitarian reasons (in instances such as injury or death suffered in connection with UN-Women activities), the Executive Director may make such payments in accordance with paragraph (a) above, except that such payments shall be without limitation as to the amount. The Executive Director shall immediately inform the Executive Board when any single situation results in payments totalling in excess of $50,000.

Rule 2008

(a) Ex gratia payments may be made in cases where, in the opinion of the UN-Women legal adviser, there is no clear legal liability on the part of UN-Women and where such payments are in the interest of UN-Women.

(b) All ex gratia payments require clearance by the Director, Division of Management and Administration, prior to consideration for approval by the Executive Director.

21. Write-offs

Regulation 21.1

The Executive Director may, after full investigation, authorize the writing-off of losses of cash, inventory, and other assets, provided that a statement of all such amounts written off shall be submitted to the United Nations Board of Auditors with the accounts. The Executive Director may establish from time to time an amount below which full investigation and formal write-offs are not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line.

Rule 2101

(a) The Director, Division of Management and Administration, may, after full investigation in each case, authorize the writing-off of losses of UN-Women property or such other adjustments of the records as will bring the balance shown by the records into conformity with the actual quantities, except for those proposals for write-offs which exceed $100,000 and which shall be submitted to the Executive Director for approval.

(b) Final determination as to all recoveries to be made from staff members or others as the result of losses will be made by the Director, Division of Management and Administration.

Rule 2102

(a) The Director, Division of Management and Administration, may, after full investigation, authorize the writing-off of losses of cash, accounts receivable and notes receivable deemed to be irrecoverable, except that proposals to write off amounts in excess of $100,000 shall be submitted to the Executive Director for approval.

(b) The investigation shall, in each case, fix the responsibility, if any, attaching to any official of UN-Women for the loss. Such official may be required to reimburse the loss either partially or in full.

(c) The amount authorized for waiver of investigation and write-off is $1,000.

H. Executing agencies and implementing partners

22. Executing agencies and implementing partners

Regulation 22.1

The administration by executing agencies or, under the harmonized operational modalities, implementing partners, of funds obtained from UN-Women shall be carried out under their respective financial regulations, rules, practices and procedures to the extent that they are appropriate. Where the financial governances of an executing agency or, under the harmonized operational modalities, implementing partner, do not provide the required guidance, those of UN-Women shall apply.

Regulation 22.2

Each executing agency or, under the harmonized operational modalities, implementing partner, shall maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from UN-Women, including in particular the balance of recorded allocations, expenditures or expenses and commitments, except in the case of sector budget support and pooled funds.

Regulation 22.3

To ensure the uniformity and usability of data required for UN-Women management purposes, the Executive Director is authorized, after consultation with the executing agencies or, under the harmonized operational modalities, implementing partners, to specify the basis, content and periodicity of reports on funds obtained from UN-Women which are to be submitted by executing agencies or, under the harmonized operational modalities, implementing partners.

Rule 2201

The Executive Director shall arrange for advances to be made by remittances to executing agencies and/or implementing partners, if any. Such remittances shall be sufficient to ensure that the advances will provide an amount that is adequate to cover for a reasonable period the disbursements which the agency concerned is called upon to make with respect to the financial activities of UN-Women. Prior to

the remittance of funds, the Executive Director may require the information to substantiate the need for the proposed remittance.

Rule 2202

Expenses for the current year and commitments for future years shall be incurred and entered into, respectively, only after budgets for programme activities, allotments in respect of the support budget or other appropriate authorizations have been made in writing under the authority of the Executive Director.

I. Internal control

23. Internal control

Regulation 23.1

The Executive Director shall maintain an internal financial control mechanism which shall provide for an effective current examination and review of financial, management and operational activities, in order to ensure:

(a) The regularity of the receipt, custody and disposal of all financial resources administered by UN-Women;

(b) The conformity of commitments and expenditures with the allocations, appropriations or other financial provisions decided upon by the Executive Board, with allocations decided upon by the Executive Director with agreements with other United Nations organizations and other entities; and

(c) The effective and efficient management of UN-Women and the effective, efficient and economic use of all resources administered by UN-Women.

Rule 2301

Unless specified otherwise in these financial rules, authority and responsibility to issue instructions and establish procedures for the implementation of these regulations and rules may be delegated by the Executive Director to other UN-Women officials in writing.

Rule 2302

While the overall responsibility remains with the Executive Director, UN-Women may conclude an agreement with UNDP concerning mutual responsibility for the provision of internal audit services by the UNDP Office of Audit Investigation. If an agreement is concluded, the UNDP Office of Audit Investigation shall be responsible for performing the internal audit on behalf of UN-Women and shall have free access to all books, records and other documents which are, in its opinion, necessary for the performance of the audit. Its reviews shall be conducted in accordance with generally accepted auditing standards and it shall provide comments and recommendations to the Executive Director of UN-Women on financial, management and operational activities, in respect of:

(a) The regularity of the receipt, custody, expenditure, accounting and reporting of all financial resources administered by UN-Women, and the effectiveness of existing internal controls and accounting systems;

(b) The conformity of expenditures with the purposes for which funds were appropriated or otherwise provided by the Executive Board and the financial authorizations issued thereunder, or with the purposes and rules relating to other funds administered by UN-Women or with agreements with other United Nations organizations and other entities;

(c) The compliance of all financial activities and transactions with established regulations, rules, policies, procedures and administrative instructions;

(d) The effective and efficient management of UN-Women and the effective, efficient and economic use of UN-Women resources, funds administered by UN-Women and non-UN-Women funds administered by UN-Women.

J. Procurement procedures

24. Procurement procedures

Regulation 24.1

The Executive Director is responsible and accountable for carrying out the procurement functions of UN-Women and for managing its property effectively and efficiently, in furtherance of the mandate and activities of UN-Women.

(a) The procurement functions of UN-Women include all actions necessary for the acquisition, by purchase or lease, of property, including construction, of goods, real property and services.

(b) The management of property includes actions necessary for receipt maintenance and disposal of property of UN-Women.

(c) The Executive Director may delegate authority, as appropriate, for such procurement functions and management of property.

Regulation 24.2

The following general principles shall be given due consideration in carrying out the procurement functions of UN-Women:

(a) Best value for money considering all relevant factors, including costs and benefits to UN-Women;

(b) Fairness, integrity and transparency;

(c) Open and effective international competition; and

(d) The interest of UN-Women.

Rule 2401

The Director, Division of Management and Administration, under delegated authority from the Executive Director, is the Chief Procurement Officer for UN-Women and is accountable to the Executive Director for all procurement functions of UN-Women at all its locations, except for those procurement actions governed by subparagraph (ii), below. The Chief Procurement Officer may further delegate authority to staff at Headquarters and other locations, as may be appropriate in fulfilling the purposes of these rules. Hereinafter, references to the

Chief Procurement Officer shall also be understood to mean, as appropriate, those acting under delegated authority from the Chief Procurement Officer.

(a) The Chief Procurement Officer shall ensure that the procurement functions are carried out in accordance with the relevant financial regulations and rules. To this end, the Chief Procurement Officer:

(i) Shall establish the necessary controls, including for delegation of authority, and shall issue administrative instructions for purposes necessary to protect the integrity of the procurement process and interest of the Organization;

(ii) Shall establish review committees, at Headquarters and other locations, to render written advice to the Chief Procurement Officer on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these regulations and rules, includes agreements or other written instruments such as purchase orders, and contracts that involve revenue to UN-Women. The Chief Procurement Officer shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review.

(b) The Chief Procurement Officer is accountable for the contracting of individual consultants who provide personal or professional services to UN-Women. The Chief Procurement Officer shall establish the necessary controls and may delegate authority to staff in fulfilling the purposes of this paragraph.

Rule 2402

No contract shall be entered into on behalf of UN-Women except by the Chief Procurement Officer or an authorized delegate. The Chief Procurement Officer may cooperate with other organizations of the United Nations system to meet the procurement requirements of UN-Women, provided that the regulations and rules of those organizations are in principle consistent with those of UN-Women. The Chief Procurement Officer may, as appropriate, enter into agreements for such purposes. Such cooperation may include carrying out common procurement actions together, or UN-Women entering into a contract in reliance on a procurement decision of another organization, or requesting another organization to carry out procurement activities on behalf of UN-Women.

The Chief Procurement Officer may, to the extent authorized by relevant legislation of the Executive Board, cooperate with a Government, non-governmental organization, or other public international organization, in respect of procurement activities, and, as appropriate, enter into agreements for such purposes.

Rule 2403

Consistent with the provisions contained in regulation 24.2 above, and except as otherwise provided below, procurement contracts shall be awarded on the basis of effective competition, and, to this end, the competitive process shall, as necessary, include:

(a) Acquisition planning for developing an overall procurement strategy and procurement methodologies;

(b) Market research for identifying potential suppliers;

(c) Consideration of prudent commercial practices; and

(d) Formal methods of solicitation, utilizing invitations to bid or requests for proposals on the basis of advertisement or direct solicitation of invited suppliers; or informal methods of solicitation, such as requests for quotations.

The Chief Procurement Officer shall issue administrative instructions concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used.

Rule 2404

The award of a procurement contract shall be made after due consideration has been given to the general principles described in regulation 24.2 and in accordance with the following:

(a) When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the lowest cost to UN-Women; and

(b) When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents.

The Chief Procurement Officer may, in the interest of UN-Women, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The Chief Procurement Officer shall then determine whether to undertake a new solicitation, or to directly negotiate a procurement contract pursuant to rule 2407 below, or to terminate or suspend the procurement action.

Rule 2405

The Chief Procurement Officer may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of UN-Women:

(a) When the value of the procurement is below the monetary amount established for formal methods of solicitation;

(b) When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation, or where the requirement involves a proprietary product or service;

(c) When there has been a previous determination or there is a need to standardize the requirement;

(d) When the proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to rule 2402 above;

(e) When offers for identical requirements have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;

(f) When, within a reasonable prior period, a formal solicitation has not produced satisfactory results;

(g) When the proposed procurement contract is for the purchase or lease of real property;

(h) When there is a genuine exigency for the requirement;

(i) When the proposed procurement contract relates to obtaining services that cannot be objectively evaluated; or

(j) When the Chief Procurement Officer otherwise determines that a formal solicitation will not give satisfactory results.

When a determination is made pursuant to subparagraphs (a) to (j) above, the Chief Procurement Officer shall record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation, or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.

Rule 2406

Written procurement contracts shall be used to formalize every procurement for a monetary value over specific thresholds established by the Chief Procurement Officer. Such arrangements shall, as appropriate, specify in detail:

(a) The nature of the products or services being procured;

(b) The quantity being procured;

(c) The contract or unit price;

(d) The period covered;

(e) Conditions to be fulfilled, including the UN-Women conditions of contract;

(f) Terms of delivery and payment; and

(g) The name and address of the supplier.

The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. Before using any electronic means of data interchange, the Chief Procurement Officer shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information.

Rule 2407

Except where normal commercial practice or the interests of UN-Women so require, no contract shall be made on behalf of UN-Women that requires a payment or payments in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed in accordance with administrative instructions and justification issued by the Chief Procurement Officer, the reason therefor shall be recorded. Progress payments may be permitted pursuant to normal commercial practice or in the interest of the Organization, in accordance with administrative instructions issued by the Chief Procurement Officer.

Regulation 24.3

The Executive Director shall:

(a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy;

(b) Designate the staff who may make commitments on behalf of UN-Women;

(c) Designate the staff who record the receipt of goods and services on behalf of UN-Women;

(d) Cause all commitments and recording of expenses to be made on the basis of supporting documents which ensure that funds are available to cover the anticipated claims;

(e) Ensure that all commitment decisions are within the UN-Women mandate and provide the organization with best value for money;

(f) Designate the staff who verify that payments be made on behalf of UN-Women;

(g) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made;

(h) Designate the officers who may receive moneys on behalf of UN-Women;

(i) Maintain an internal financial control which shall provide for an effective current examination and review of financial transactions in order to ensure:

(i) The regularity of the receipt, custody and disposal of all funds and other financial resources of UN-Women;

(ii) The conformity of expenses and commitments with the budgets, appropriations or other financial provisions decided upon by the Executive Board; and

(iii) The economic use of the resources of UN-Women.

Regulation 24.4

There shall be a separation of duties as defined by the UN-Women internal control framework.

Rule 2408

(a) The Director, Division of Management and Administration, shall ensure that, except as provided in rule 2411 (c), no expense shall be incurred unless it is supported by an appropriate commitment document, signed by a committing officer pursuant to rule 2409. Except as otherwise provided in rule 2408 (b), action to commit shall be based on a written contract, purchase order, agreement or other form of undertaking.

(b) Any increase in the amount of a commitment in excess of an amount established by the Executive Director pursuant to subparagraph (a) shall require an

amended commitment document to be issued. Should an invoice be presented for payment in an amount which exceeds the amount of the commitment by more than an amount established by the Executive Director, the commitment must be amended.

Rule 2409

Committing officers

(a) The Executive Director shall designate:

(i) One or more staff as committing officer(s) for the procurement of all goods and services for each organizational unit, including country offices;

(ii) The responsibilities of those committing officers, including those for specific accounts assigned to them;

(b) Any authority granted and responsibility assigned to each staff member is for the individual and cannot be delegated. Alternates may also be designated to act in the absence of the committing officer(s).

(c) The purpose of committing funds is to ensure that:

(i) The activities to be financed are within the UN-Women mandate and policies, within the approved strategy, and within the framework and plan of UN-Women;

(ii) Funds necessary to satisfy the present or anticipated claim are currently available in the relevant account for which the committing officer is responsible;

(iii) The commitment decision provides the organization with best value for money;

(iv) The commitment is not for personal purposes.

(d) Any undue interference with the committing process should be brought to the attention of the Executive Director and, if appropriate, referred to the Disciplinary Committee;

(e) The Executive Director may arrange for an electronic/digital committing process provided that the payments ledger and the associated payment system have adequate safeguards to ensure the integrity of the committing process as required by this rule.

Rule 2410

Verifying officers

(a) The Executive Director shall designate the staff who may have authority to approve all payments under all accounts and establish applicable procedures.

(b) Those staff so designated shall have the responsibility to verify that payments and other financial transactions may be carried out on behalf of UN-Women. The responsibility assigned to a verifying officer cannot be delegated.

Rule 2411

(a) A verifying officer shall approve a voucher for payment when:

(i) It has been determined that payment had not previously been made;

(ii) It is supported by documents which indicate that the goods or services for which payment is claimed have been received or rendered in accordance with the terms of the contract and the related obligation;

(iii) The payment is made against a recorded commitment of resources entered into by an appropriate committing officer or a valid budget, where applicable;

(iv) The payment is not made for personal purposes; and

(v) No other information is available which would bar the payment.

(b) Should an invoice be presented for payment in an amount which exceeds the existing relevant obligation by the amount specified by the Executive Director in accordance with rule 2408 (b) or more, prior commitment of resources by a committing officer is required.

(c) For payments for which funds did not need to be reserved by the recording of an obligation in accordance with rule 2408 (b), the documentation supporting the payment voucher must be signed by a committing officer before the payment may be approved by a verifying officer.

(d) The Executive Director may arrange for an electronic/digital verification process, provided that the ledger and the associated payment system have adequate safeguards to ensure the integrity of the verification process.

(e) Any undue interference with the verification process should be brought to the attention of the Executive Director and, if appropriate, referred to the Disciplinary Committee.

25. Management of property

Regulation 25.1

The Executive Director is responsible and accountable for managing the property of UN-Women effectively and efficiently in furtherance of its mandate and activities.

(a) The management of property includes all actions necessary for its receipt, custody, maintenance and disposal.

(b) The Executive Director may delegate authority, as appropriate, for such management of property.

Rule 2501

The Chief Procurement Officer is accountable to the Executive Director for the management of the property of UN-Women. The Chief Procurement Officer shall establish such controls necessary for the recording, safekeeping, maintenance and disposal of such property. The Chief Procurement Officer may further delegate authority to staff at Headquarters and other locations, as may be appropriate in fulfilling the purposes of these rules. The Chief Procurement Officer is also responsible for establishing the types and values of property that shall be recorded.

(a) The Chief Procurement Officer shall establish property survey boards for Headquarters and other locations to render written advice to him or her in respect of loss, damage or other discrepancy regarding the property of UN-Women. The Chief Procurement Officer shall establish the composition and terms of reference of such boards, which shall include procedures for determining the cause of such loss, damage or other discrepancy, the disposal action, and the degree of responsibility, if any, attaching to any official of UN-Women or other party, for such loss, damage or other discrepancy.

(b) The Chief Procurement Officer shall establish administrative instructions governing the sale of property and may delegate authority to staff as may be appropriate in fulfilling the purposes of this paragraph.

K. Board of Auditors

26. Board of Auditors

Regulation 26.1

The provisions of article VII of the United Nations Financial Regulations and Rules shall apply, mutatis mutandis, to UN-Women, except that:

(a) The reports of the United Nations Board of Auditors, together with the audited financial statements and the comments thereon of the Advisory Committee, shall also be transmitted to the members of the Executive Board. Executing agencies or, under the harmonized operational modalities, implementing partners, which are organizations of the United Nations system shall transmit to the Executive Director for submission to the Executive Board biennial accounts showing the status of funds allocated to them by the Executive Director for the execution of UN-Women activities. Effective from their submissions for the year 2012, executing agencies or, under the harmonized operational modalities, implementing partners, which are organizations of the United Nations system shall, where applicable, transmit to the Executive Director for submission to the Executive Board, annual accounts showing the status of funds allocated to them by the Executive Director. Such accounts shall bear audit certificates from the external auditors of the organizations and shall be accompanied by their reports, if any, and copies of any relevant resolutions adopted by their legislative or governing bodies; and

(b) In submitting the above accounts to the Executive Board, the Executive Director shall comment on the auditors' substantive observations and on their follow-up.

Regulation 26.2

The United Nations Board of Auditors will be completely independent and have the sole responsibility of the external audit of the UN-Women account.

Regulation 26.3

The Executive Director shall ensure that, except for organizations of the United Nations system, executing entities shall require their auditors to follow the audit principles and procedures prescribed for the United Nations in respect of resources obtained from or through UN-Women, and shall ensure that each UN-Women

programme activity is audited at least once in its lifetime, or as otherwise required pursuant to the relevant agreements governing such programme activities, except in the case of sector budget support and of pooled funds. In the case of sector budget support or pooled funds, resources obtained from or through UN-Women shall be audited in accordance with the audit provisions established in the agreement among the participants in, and governing, the sector budget support or pooled funds, consistent with the policies and procedures for UN-Women participation in direct budget support and pooled funds, established by the Executive Director.

L. Definitions

27. Definitions

Regulation 27.1

For the purposes of the financial regulations for UN-Women, the following definitions of the main entities involved in activities of UN-Women shall apply:

UN-Women shall mean the United Nations Entity for Gender Equality and the Empowerment of Women established by General Assembly resolution 64/289 of 2 July 2010;

UNDP shall mean the United Nations Development Programme established by General Assembly resolution 2029 (XX) of 22 November 1965;

General Assembly shall mean the General Assembly of the United Nations;

Executive Board shall mean the Executive Board of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women);

Advisory Committee shall mean the Advisory Committee on Administrative and Budgetary Questions;

Secretary-General shall mean the Secretary-General of the United Nations or the official to whom the Secretary-General has delegated authority and responsibility for the matter in question;

Executive Director shall mean the Executive Director of UN-Women or the official to whom the Executive Director has delegated authority and responsibility for the matter in question;

Administrator shall mean the Administrator of UNDP or the official to whom the Administrator has delegated authority and responsibility for the matter in question;

Government shall mean the Government of a State Member of the United Nations or of a specialized agency or of the International Atomic Energy Agency. "Recipient" when used in conjunction with "Government" shall mean the Government, as defined above, of a country which receives UN-Women assistance and applies also, mutatis mutandis, to all entities entitled, as a result of an Executive Board decision, to receive UN-Women assistance;

Host Government shall mean the Government, as defined, of a country within whose legal boundaries UN-Women provides a programme of assistance;

Executing agency (also referred to as "executing entity") shall mean the entity responsible for execution of UN-Women programme activities as defined in regulation 27.2; and

Implementing partner (also referred to as "implementing agency") shall mean, for UN-Women project activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201 of 21 December 2001 on the triennial policy review of operational activities for development of the United Nations system, the entity to which the Executive Director has entrusted the implementation of UN-Women assistance specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of UN-Women resources and the delivery of outputs as set forth in such document.

Regulation 27.2

For the purposes of the financial regulations for UN-Women, unless the context requires otherwise, the terms set out in this regulation shall have the definitions assigned to them as specified below. These definitions are supplemented by the terms used under the International Public Sector Accounting Standards. The terms are listed in alphabetical order.

Administrative and operational support costs shall mean the expenses reimbursed as a result of the administration of programme activities financed from UN-Women funds.

Allocation shall mean a financial authorization issued by the Executive Director to incur expenditures and commitments for specific purposes relating to UN-Women programme activities and within specified limits, during a definite period.

Allotment shall mean a financial authorization issued by the Executive Director to enter into commitments and incur expenses for specific purposes related to the support budget and within specified limits, during a definite period.

Appropriation shall mean the total amount approved by the Executive Board for specified purposes in the current support budget against which commitments may be entered into and expenses incurred for those purposes up to the amounts so approved.

Appropriation line shall mean a subdivision of the appropriation for which a specific amount is shown in the appropriation resolution and within which the Executive Director is authorized to make transfers without prior approval.

Assessed contribution shall mean a contribution to the regular budget of the United Nations from States Members of the United Nations according to the scale of assessments determined by the General Assembly.

Budget shall mean a financial authorization issued by the Executive Director to make commitments and to incur expenses for specific purposes related to UN-Women activities and within specified limits, during a definite period.

Co-financing shall mean a resource mobilization modality through which contributions, as defined in regulation 27.2, may be received in support of specified purposes consistent with the policies, aims and activities of UN-Women. These

contributions may be in the form of cost-sharing or trust funds and shall be considered over and above the regular resources available for programmes.

Commitment shall mean an engagement arising from a contract, agreement or undertaking, that has been entered into for the current year or one or more future years in respect of a programming activity, or the support budget.

Committing officer shall mean a UN-Women staff member who has been delegated the authority to commit UN-Women resources and has accepted accountability for it.

Contribution shall mean cash or in-kind resources received from a Government or intergovernmental institution; United Nations agencies; or non-governmental sources, including foundations, private sector organizations and individuals. Contributions cover programme costs as well as programme support and management and administration costs.

- **Contribution in cash** shall mean payment made in cash received by UN-Women.
- **Contribution in kind** shall mean the provision of goods and services including capital assets received by UN-Women.

Cost-sharing shall mean an arrangement by which the costs of projects that are normally charged to UN-Women regular resources, including the reimbursement of indirect costs, are covered in full or in part by a contribution or contributions from the recipient Government, or from one or more Governments other than the recipient Government, or from an organization or organizations of the United Nations system, or from intergovernmental institutions or agencies not part of the United Nations system. Such an arrangement may be made on the following basis:

- **Project cost-sharing**, whereby the contribution relates to a specific project;
- **Programme cost-sharing**, whereby the contribution relates not to a specific project but to all or several projects in a recipient country or region; and
- **Third party cost-sharing**, which can be either project or programme cost-sharing, whereby the contribution is paid by one or more entities other than the recipient Government.

Counterpart contributions shall mean the agreed contributions of recipient Governments made for the cost of specific services and facilities as set out in the individual project documents related to programme activities undertaken for, or with that Government.

Country programme shall mean the programme of UN-Women assistance in a particular country, prepared by UN-Women in partnership with the Government of that country in line with the United Nations Development Assistance Framework, if any, indicating the proposed use of UN-Women resources towards the achievement or furtherance of national goals in line with the UN-Women mandate during the period covered by the country programme.

Disbursement shall mean the amount paid.

Ex-gratia payment shall mean a payment made where there is no legal liability but the moral obligation is such as to make payment justifiable.

Execution shall mean:

- UN-Women programme activities not carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201 of 21 December 2001 on the triennial policy review of operational activities for development of the United Nations system, assuming the overall management of specific UN-Women programme activities and the acceptance of accountability to the Executive Director for the effective use of UN-Women resources; and
- UN-Women programme activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201, assuming the overall ownership of and responsibility for specific UN-Women programme activities and the acceptance of accountability for results.

Fully funded shall mean that funds in support of a project are available in the form of cash received, an irrevocable letter of credit, or, subject to guidelines established by the Executive Board, an agreement signed by UN-Women and the donor.

Funds administered by UN-Women shall include funds in the UN-Women account, co-financing funds and other funds established by the Executive Board or the Executive Director.

Implementation shall mean:

- UN-Women project activities not carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201, the procurement and delivery of UN-Women project activity inputs and their use in producing outputs;
- UN-Women project activities carried out under the harmonized operational modalities established in response to General Assembly resolution 56/201 and their overall management; and
- Delivery of project activities to achieve specified results, including the procurement and delivery of UN-Women project activity inputs and their use in producing outputs.

Intercountry, when used with reference to a programme activity or project, shall mean regional or interregional, as the case may be.

Indirect costs shall mean the expenses incurred as a result of the management and administration of programme activities and funds.

Liquidity shall mean the difference between current assets and current liabilities. In the specific context of UN-Women, this shall normally be taken to mean the sum of working capital and reserves.

Management and administration of UN-Women shall mean the activities of UN-Women organizational units whose primary functions are the maintenance of the identity, direction and well-being of UN-Women. This shall typically include units that carry out the functions of executive direction, policy and evaluation, external relations, information, planning and resource management, finance and administration, and audit.

Obligation shall mean an engagement, such as a contract, agreement or undertaking that has been entered into, involving a liability against the resources of the current year in respect of a programme activity, or of the current budget period in respect of the support budget.

Other resources shall mean the resources of UN-Women, other than regular resources, which are received for a specific programme purpose consistent with the mandate of UN-Women and for the provision of specific services to third parties.

Partially funded shall mean the authority to allocate funds against current or anticipated future years' revenue.

Personnel shall mean UN-Women staff and other persons engaged by UN-Women under other contractual arrangements to perform services for UN-Women programme activities or for programme support.

Pooled funds shall refer to resources for financing expenses within a sector or a programme through the pooling of the financial resources by the participating partners (see also "Sector budget support").

Programme within the context of the form of presentation of the support budget shall mean the direct inputs needed to achieve the goals of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies, property, plant and equipment, subcontracts, cash assistance and individual or group training.

Programme activities shall mean activities directly associated with the planning, programming and implementation of UN-Women assistance through country, regional and interregional programmes/projects and shall be distinguished from activities of a programme support and management and administration nature.

Programme support shall mean organizational units whose primary function is the development, formulation, delivery and evaluation of UN-Women programmes. This would include units that provide backstopping for programmes on either a technical, thematic, geographic, logistical or administrative basis.

Project shall mean a separately identified undertaking relating to matters assisted by UN-Women in accordance with its mandate that forms part of a country or intercountry programme, unless it is a stand-alone project.

Project document shall mean the formal document, including revisions thereof, covering the agreed arrangements for the implementation of a project. It shall also include other instruments as the parties may conclude define the particulars of such assistance and the respective responsibilities of the parties in more detail in regard to such projects.

Regular budget shall mean the portion of assessed contributions allocated to UN-Women through the United Nations programme budget, which is prepared by the Secretary-General and approved by the General Assembly. UN-Women shall prepare programme budget proposals for the forthcoming financial period at such times and in such detail as the Under-Secretary-General for Management may prescribe and in accordance with the Financial Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2008/8).

Regular resources shall mean resources available to UN-Women that are commingled and untied. These shall include revenue from voluntary contributions, other governmental or intergovernmental payments to UN-Women, other contributions from non-governmental sources, including foundations, private sector organizations and individuals, interest earnings and miscellaneous revenue.

Resources administered by UN-Women shall mean all contributions received and all income earned by UN-Women.

Sector budget support shall refer to the financial contribution to a Government budget, managed by a Government entity for a specific set of sector or programme results. A pooled fund is designed for financing expenses within a sector or a programme through the pooling of the financial resources by the participating partners. A pooled fund would be contracted out by the Government to be managed by an agreed party.

Special account shall mean an account established by the Executive Director for a special contribution, or for moneys earmarked for specific activities, the balance of which may be brought forward to the succeeding financial period.

Strategic plan shall mean the document that sets the overall direction and provides the framework for guiding UN-Women support to programme countries to achieve their nationally owned development objectives.

Support budget shall cover the budget for one or more years for the costs of programme support and management and administration services of UN-Women.

Trust fund shall mean a fund or funds accepted by UN-Women under the terms of these financial regulations and rules to finance activities specified by the contributor, which activities must be consistent with the policies, aims and activities of UN-Women.

UN-Women account shall mean the account established for the purpose of accounting for all revenue to UN-Women, but excluding funds of trust funds established by the Executive Board or the Executive Director.

UN-Women assistance to a project shall mean the contribution to a project that is funded from the UN-Women account.

UN-Women resources shall mean resources credited to the UN-Women regular resources account or other resources account.

Verifying officer shall mean a UN-Women staff member who has been delegated the authority to verify payments against UN-Women resources and has accepted accountability for it.

Voluntary contributions shall mean annual contributions to UN-Women from Governments of States Member of the United Nations, of the specialized agencies or of the International Atomic Energy Agency, or from non-governmental sources, including foundations, private-sector organizations and individuals.

Working capital shall mean the residual of cash flows into and out of UN-Women used to provide advances to executing entities or, under the harmonized operational modalities, implementing partners, fund outstanding commitments and pay ongoing administrative expenses.

Written or **writing** shall mean a duly signed paper document or a document in electronic/digital form that can be authenticated as having been produced by an authorized individual.